

CHAPTER 7

The U.S. Security Outlook in the Asia-Pacific Region

*Andrew S. Erickson*¹

“不是我明白，而是世界变得太快。” – 崔健

“It’s not that I don’t understand, it’s just that the world is changing so fast.”

– Cui Jian, father of Chinese rock music

The future for the U.S. and its partners is bright: they have prevailed in the Cold War and have established the systems and institutions—based on what are arguably universal human principles—to allow for the greatest human possibilities in the twenty-first century world. Blessed with abundant resources, cutting-edge universities and research institutions, an innovative capitalist economy, the world’s largest and most advanced military, a diverse and adaptable democratic society, a robust and reasonably efficient legal and regulatory system, attractive cultural “soft power,” the most favorable demographic profile in the developed world, and excellent allies, friends, and partners with which to cooperate, the United States is positioned to remain the world’s preeminent power and public goods provider for at least the next several decades. Increased American willingness to collaborate with partners around the world to provide collective security solutions is likely to underwrite enduring influence. Even in light of current economic difficulties, this is powerful and inspiring.

Nonetheless, Washington faces a rapidly-changing world that is becoming increasingly complex, vulnerable to disruptive trends, and diffused in power—in addition to needed domestic reforms, particularly with regard to fiscal policies and social entitlements. It has been a difficult, tumultuous decade, as Aaron Friedberg points out:

The past ten years have been punctuated by geopolitical and economic

¹ The ideas expressed in this preliminary draft paper are those of the author alone. The author thanks Ja Ian Chong, Gabriel Collins, Peter Dutton, Mohan Malik, Paul Smith, Jonathan Stevenson, Mark Szepan, and Toshi Yoshihara for reviewing earlier drafts; and Peter Dutton and Jonathan Pollack for their helpful guidance. He would greatly appreciate comments and suggestions, and can be reached via the “Contact” link at www.andrewerickson.com.

shocks of exceptional, once-in-a-century magnitude. For an event similar in impact to the September 11 [2001] attacks on New York and Washington, one would have to go back 60 years to December 7, 1941. The closest equivalent to the global financial meltdown and deep recession that began in 2008-09 would be the October 1929 stock market crash that marked the start of the Great Depression. In terms of the diplomatic and domestic political furor unleashed, the invasion and occupation of Iraq most closely resembled the Vietnam War of the mid-1960s to mid-1970s.²

Projecting notionally out to 2025, the longest time horizon generally considered in unclassified U.S. government studies and their scholarly equivalents, and as far as 2050 in selected instances, several trends seem likely to define the emerging international system, and America's role within it. Fortunately, Washington is well-placed to turn these challenges into opportunities, provided that it pursues intelligent, pragmatic policies and works well with a growing network of allies, friends, and partners.

Key Future Trends & Approaches

Rise of Developing Powers. First, the world is witnessing the rapid ascension of several developing regional powers—namely China, India, and Brazil—as well as a variety of smaller states (including Iran, Turkey, Indonesia, and South Africa) that are potentially very important geostrategically or economically because of their locations and rapidly rising young populations, societal dynamics, or governmental ambitions.³ While these trends may have been accelerated in some ways by ill-advised and mismanaged policies with regard to Iraq and Afghanistan, America's post-Cold War “unipolar moment” was a unique historical circumstance that could not last forever. We are now entering an era in which the U.S. remains the preeminent power, but is not dominant in all areas in the way it has been economically since 1915 and militarily since 1943. Rather than always adopting a “unilateral” approach,

² Aaron L. Friedberg, “The Geopolitics of Strategic Asia, 2000-2020,” in Ashley J. Tellis, Andrew Marble, and Travis Tanner, eds., *Asia's Rising Power and America's Continued Purpose* (Seattle, WA: National Bureau of Asian Research, 2010), 26.

³ Hillary Clinton, “America's Pacific Century,” *Foreign Policy* (November 2011), http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century.

it must in many cases work closely and respectfully with various groupings of partners to achieve many objectives. Moreover, rising powers are likely to assert themselves increasingly, particularly with respect to vital interests and issues of territory and identity over which they suffer historical grievances that their citizens believe they finally have the opportunity to address. Yet, despite pushing to expand their room for policy maneuver, they are likely to “free ride” whenever possible.

This may remain a “unipolar” world, or it may better be characterized as what Samuel Huntington has termed a “uni-multipolar” world. What it will not be for the foreseeable future is the truly “multipolar” world that China and some other states advocate. In Huntington’s definition, “A multipolar system has several major powers of comparable strength that cooperate and compete with each other in shifting patterns. A coalition of major states is necessary to resolve important international issues. European politics approximated this model for several centuries.” Over a decade after Huntington wrote this, such a “multipolar” world remains very far from materializing.⁴ It must be emphasized, moreover, that unipolarity and unilateralism are two very different things, although one can facilitate the other. A more prudent U.S. foreign policy is precisely the most effective way of maximizing chances to maintain preeminence, particularly with respect to critical interests.⁵

Asymmetric Technologies Proliferating. Second, diffusion of knowledge and the education of talented individuals are dispersing technological development around an increasingly “flat” (interconnected) world. For a long time to come, the U.S. will remain the only nation capable of operating militarily in the vast majority of the global commons, thanks to continued superiority in long-range precision strike, power projection, and non-military operations support capabilities. But the rise of irregular tactics and cyber warfare may prove increasingly difficult to address decisively.

⁴ Samuel Huntington, “The Lonely Superpower,” *Foreign Affairs* (March/April 1999). For further background, see Andrew S. Erickson, “Assessing the New U.S. Maritime Strategy: A Window into Chinese Thinking,” (Annotated translation and analysis of three Chinese articles), *Naval War College Review*, Vol. 61, No. 4 (Autumn 2008), pp. 35-71.

⁵ For further explication of this and related arguments, see Stephen G. Brooks and William C. Wohlforth, *World Out of Balance: International Relations and the Challenge of American Primacy* (Princeton, NJ: Princeton University Press, 2008).

Outside of the industrialized world, the most high-level, comprehensive development is occurring in rising powers that have sufficient government organization to fund and shape key programs, while exploiting foreign direct investment, competitive wages, and expatriates returning from studying and working abroad. But even smaller nations can achieve results in key niche areas, and—as Al Qaeda broadcasts and the ongoing Wikileaks affair demonstrate—sub-state actors can use emerging technologies in new, irritating ways.⁶ They can also use them to great political effect, as seen recently in Tunisia and Egypt. The results, so far, are mixed: the grassroots revolts may have ushered in democratization of a kind that could be less dangerous than anticipated, and that in the long-term could defuse al-Qaeda's narrative. At the same time, putatively pro-American regimes were unseated, the region destabilized, and Egypt's peace with Israel rendered less secure. Insofar as most of the affected regimes are Sunni, Iran has benefited geopolitically.

What is certain is that cyberspace and related technologies are radically increasing connectivity, bandwidth, computing capacity, and data availability, with transformative civil and military potential. Democratization of access to key space capabilities, e.g., near-real-time precision imagery, is revealing troop deployments and operations as never before. Development and application of such technologies as electro-magnetic pulses, directed energy systems (e.g., lasers and high-powered microwaves), robotics, and nano/biotechnology may be similarly transformative.⁷

In any case, given the unraveling of Cold War policy consensus, the U.S. and its existing allies and friends are increasingly less able to control the development and proliferation of key technologies.⁸ This necessitates a nuanced, prioritized approach: they must save their most coercive and vigorous efforts to check the proliferation of weapons of mass destruction (WMD) and related capabilities. They must address the development of new anti-access/area denial (A2/AD) weapons systems by ensuring

⁶ So far, however, such actions—quite apart from the physical acts of terrorism that Al Qaeda continues to sponsor—do not seem to really change the way that governments behave in persistent ways.

⁷ Joint Futures Group (J59), *The Joint Operating Environment (JOE)* (Suffolk, VA: U.S. Joint Forces Command, 2010), 55-56, http://www.jfcom.mil/newslink/storyarchive/2010/JOE_2010_o.pdf.

⁸ To be sure, throughout the post-War era, there have been technologies circulating that could threaten the U.S. and its allies, making this betting on which technologies to invest in, an ongoing processes.

that a significant portion of their platforms, weapons systems, and countermeasures likewise exploit inherent physics-based limitations and do not risk costly investment on “the wrong end of an arms race.” Projecting timely, effective, and affordable logistics despite a “tyranny of distance” will be more essential than ever before.

While the U.S. and its allies and friends cannot and should not prevent economic competitors from exploiting the fact that “physics is the same for everyone” to develop new commercial and even military technologies, they must ensure that foreign intelligence agencies cannot “cut corners” radically by stealing hard-to-develop and expensive technologies, and that foreign countries cannot severely restrict or eliminate access to strategic resources. This may require some areas of enhanced cooperation between government and business in an increasingly multinational corporate world, albeit with proper safeguards and restraints in place. With its complex traditions with respect to government involvement in economic issues, the U.S. has much to learn from such allies as Japan and South Korea, including their quasi-statist approach to ensuring access to such strategic resources as rare earth elements.⁹ As always, technology can never be controlled completely, and the best approach is to work hard to keep ahead.

Population and Human Migration. Third, the world is entering an unprecedented, likely irreversible, demographic transformation. Henceforth, the developing world will produce the majority of population growth, thereby increasing its influence; but within the developed world, the U.S. will experience similarly disproportionate growth. Population growth in the developed world has slowed dramatically, with some nations already experiencing population loss. The Western world overall has reached a demographic high water mark, with a working age population profile that

⁹ See, for example, Gabriel Collins and Andrew Erickson, “Gray Gold: China’s Rare Earth Power Play, Impacts, and Suggested Consumer Responses,” *China SignPost*TM (洞察中国), No. 5 (3 November 2010), http://www.chinasignpost.com/wp-content/uploads/2010/12/China-SignPost_5_Rare-Earths-Gray-Gold_2010-11-03.pdf. Of course, Japan’s economic malaise and South Korea’s pre-1997 problems were in part due to disproportionate corporate influence on government. Similar charges have been made in the U.S. regarding Wall Street’s role during and after the recent financial crisis. While there are important differences in these examples, one of the things that keeps the U.S. system robust is its system of checks and balances as well as its openness. Certainly, the U.S. must avoid becoming a “garrison state,” as explained in Aaron L. Friedberg, *In the Shadow of the Garrison State* (Princeton, NJ: Princeton University Press, 2000).

is unlikely to be so favorable ever again.¹⁰ For the first time in over 200 years, most of the world's economic growth is occurring outside the United States, Europe, and Canada.¹¹ Yet the U.S. is a partial exception to this trend, given its relatively high fertility and immigration rates. According to a major study by the Center for Strategic and International Studies,

the population and GDP of the United States will expand steadily as a share of the developed-world totals. In tandem, the influence of the United States within the developed world will likely rise.¹²

The United States is the only developed nation whose population ranking among all nations—third—will remain unchanged from 1950 to 2050. Every other developed nation will drop off the radar screen. ... The United States is also the only developed economy whose aggregate economic size will nearly keep pace with that of the entire world's economy.¹³

[By 2050] 58 percent of the developed world's population will live in English-speaking countries, up from 42 percent in 1950. The relative U.S. economic position will improve even more dramatically. As recently as the early 1980s, the GDPs of Western Europe and the United States (again, in purchasing power parity dollars) were about the same, each at 37 percent of total developed-world GDP. By 2050, the U.S. share will rise to 54 percent and the Western European share will shrink to 23 percent. ... By the middle of the twenty-first century, the dominant strength of the U.S. economy in the developed world will have only one historical parallel: the immediate aftermath of World War II, exactly 100 years earlier at the birth of the "Pax

¹⁰ Office of the Director of National Intelligence, *Global Trends 2025: A Transformed World* (Washington, DC: National Intelligence Council, November 2008), 21, http://www.dni.gov/nic/PDF_2025/2025_Global_Trends_Final_Report.pdf.

¹¹ Jack A. Goldstone, "The New Population Bomb: The Four Megatrends That Will Change the World," *Foreign Affairs* 89.1 (January/February 2010): 31-43.

¹² Richard Jackson and Neil Howe with Rebecca Strauss and Keisuke Nakashima, *The Graying of the Great Powers: Demography and Geopolitics in the 21st Century* (Washington, DC: Center for Strategic and International Studies, May 2008), 6, <http://csis.org/publication/graying-great-powers-0>.

¹³ *Ibid.*, 8.

Americana.”¹⁴

More broadly, the world’s population will rise from 7 billion today to 8 billion by the 2030s and become even more urbanized, rising from 50% today to nearly 60% then.¹⁵ “Ninety-five percent of that increase will occur in developing countries,”¹⁶ and five billion of the world’s people will live in cities.¹⁷ By 2050, it will have come close to peaking at 9.5 billion people, of whom 1 billion will be in developed countries, 1.4 billion will be in China, and 1.5 billion will be in India.¹⁸ Results will vary tremendously in the developing world, where growth may fuel prosperity, yet youth bulges may foster chaos. Demographics may fuel religious conflict: “Fully nine-tenths of the world’s population growth between now and 2050 is projected to occur in exactly those regions—sub Saharan Africa, the Arab world, non-Arab Muslim Asia, and South Asia—where religious conflict (between and among Muslims, Christians, Jews, and Hindus) is already a serious problem. Within those regions, moreover, the disproportionate fertility of devout families will ensure that younger generations will be, if anything, more committed to their faiths.”¹⁹

The result is that some of the societies with which the U.S. shares the closest alliances and the most common values are aging to the point that their populations are likely to suffer from constrained economic growth and reduced willingness to expend resources for military purposes. At the same time, major global migrations are under way to address these imbalances, with worker remittances yet another vehicle for international wealth transfer. Remittances to developing countries reached \$325 billion for 2010, with \$91 billion to the Asia-Pacific, and \$55 billion and \$51 billion to India and China respectively. The World Bank projects developing nation remittances to reach \$374 billion in 2012.²⁰ Demand for foreign workers in areas such as Western Europe, coupled with the failure to assimilate immigrants effectively,

¹⁴ Ibid., 6.

¹⁵ Office of the Director of National Intelligence, *Global Trends 2025*, 23, http://www.dni.gov/nic/PDF_2025/2025_Global_Trends_Final_Report.pdf.

¹⁶ Joint Futures Group (J59), *The Joint Operating Environment (JOE)*.

¹⁷ Ibid., 57.

¹⁸ Ibid., 14.

¹⁹ Jackson and Howe, *The Graying of the Great Powers*, 10-11.

²⁰ Sanket Mohapatra, Dilip Ratha and Ani Silwal, Migration and Remittances Unit, World Bank, “Outlook for Remittance Flows 2011-12: Recovery After the Crisis, But Risks Lie Ahead,” *Migration and Development Brief* 13 (8 November 2010), <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1110315015165/MigrationAndDevelopmentBrief13.pdf>.

is fueling religious extremism, social unrest, and even terrorism. To preserve present living standards, the U.S. must maintain a large, high-caliber, adaptable work force by pursuing policies that maximize educational and career opportunities for everyone willing to embrace them, ensure that women in particular have flexible options in this regard, and support families and child development as the ultimate investment in the nation's future. Washington must continue to support immigration and opportunities for citizenship for foreign students, particularly of talented individuals with special skills, i.e., by immediately substantially increasing the number of H1-B visas issued, and making it easier to study and stay in the U.S. Internationally, the U.S. must strengthen its existing alliances and relationships while strengthening ties with rising powers such as India and Brazil that share common interests and challenges.

Resource and Environmental Strains. Fourth, a vast global middle class is emerging that desires “Western” living standards. This is currently roughly 440 million people, or 7.6% of the world's population, which over the next several decades is projected to reach 1.2 billion—nearly the entire population of China today—or 16.1%.²¹ Coupled with overall population growth, this is placing an unprecedented strain on supplies of water, energy, food, commodities, and other strategic resources. The U.S. National Intelligence Council (NIC) judges that “clean water is set to become the world's scarcest but most-needed natural resource....”²² Competing agricultural, industrial, and human uses stress supplies of water, which are already highly unevenly distributed. Disputes over dams and access are likely to arise around some of the world's great rivers, including the Jordan, Euphrates, Tigris, Syr Darya, Indus, Brahmaputra, and Mekong.

By the 2030s, global energy demand is likely to be 50% greater than today.²³ The default outcome is unprecedented demand and contention for diminishing oil and gas supplies and expansion of hydrocarbon infrastructure; the key question being whether new technologies can be developed and implemented rapidly enough to catalyze a “Post-Petroleum Future” despite “adoption lag.”²⁴ Food demand is likewise projected to increase by 50% by 2030. Five years before then, 36 countries, home to roughly

²¹ Office of the Director of National Intelligence, *Global Trends 2025*, 8.

²² *Ibid.*, 47.

²³ Joint Futures Group (J59), *The Joint Operating Environment (JOE)*, 24.

²⁴ Office of the Director of National Intelligence, *Global Trends 2025*, viii.

1.4 billion, are likely to be lacking sufficient cropland or fresh water.²⁵ Overall, slowing population growth and increased use of genetically modified crops promises to expand food production, but this may be offset by rising meat consumption. Meanwhile, the problem of depleting fish stocks is complicated further by maritime disputes, although aquaculture has some potential to ameliorate this.

Climate change may render certain equatorial regions significantly less hospitable and less agriculturally productive while improving conditions to some extent in the northern part of the Northern Hemisphere, and opening the Arctic to summer shipping and further resource extraction.²⁶ Natural disasters, possibly exacerbated by climate change, may disrupt existing production and distribution chains, particularly for grains and water. Coastal zones less than 10 m above sea level, home to 20% of the world's population, are particularly vulnerable.²⁷

Together, these factors may render current patterns of resource consumption in developed nations unsustainable; but such societies have the capital and technology to adapt, and should follow Japan's leading examples in pursuing conservation and technological solutions.²⁸ In vulnerable developing nations (e.g., Bangladesh), by contrast, resource and climate issues could trigger conflict and human migration in ways that destabilize regions of high strategic importance (e.g., Southwest Asia and Sub-Saharan Africa). The scale of human misery and political instability catalyzed by drought and subsequent conflict in Darfur illustrates what could happen if future weather events or other factors triggered a major migration or refugee crisis in a place like Nigeria and adjacent West African countries. Such a contingency could have major economic and security implications for the U.S., Japan, South Korea, and other key stakeholders and via potential oil and gas supply disruptions and humanitarian pressures to intervene. A study commissioned by the UK Treasury projects that by 2050 "200 million people may be permanently displaced ('climate migrants')—representing a ten-fold increase over today's entire documented refugee

²⁵ Ibid.

²⁶ Ibid., 53.

²⁷ Joint Futures Group (J59), *The Joint Operating Environment (JOE)*, 33.

²⁸ The challenge is that Japan embarked after reaching a certain level of development (and hence income), and did not face the same pressures of a state like Bangladesh. There is a risk that weaker societies may reach an environmental point of no return that Japan never had to deal with.

and internally displaced populations.”²⁹

Globalization and its Discontents. Fifth, the interconnected nature of the post-Cold-War twenty-first century world, while yielding unprecedented prosperity and life possibilities, has also unleashed unprecedented potential for their disruption. Internet access, international travel and trade, as well as new technologies and forms of expression make it easier to fashion and promote a widening variety of potentially non-exclusive identities. These may strengthen nationalism in nation states, or offer destabilizing alternatives to it via a “battle of narratives.”³⁰ Sub-state actors of all sorts, from individuals to networks, are empowered and proliferating as never before, with a corresponding increase in threats from religious extremism, terrorism, arms trade, financial fraud and money laundering, cybercrime, drug and human trafficking, and other trans-national illicit activities. As Huntington put it, “While national representatives and delegations engage in endless debate at U.N. conferences and councils, the agents of trans-national organizations are busily deployed across the continents, spinning the webs that link the world together.”³¹ The effects of natural disasters, whether pandemic diseases, identity-based grievances, or migration, can spread “virally” in today’s interlinked world. Sprawling “feral” cities in weak and failing states with insufficient infrastructure for their growing millions yet susceptible to massing of people and critical infrastructure blockage may be one of the key arenas in which these factors play out. A few states may even be overrun by sub-state actors or cease to exist as effective entities.

Public Goods Provision. Finally, while these non-state and trans-national factors may provide potent rationale for states to cooperate, differences in national interest may complicate matters even here. Furthermore, there is a potential “collective action problem” as more great powers active in international organizations (e.g., a potentially-expanded United Nations Security Council permanent membership) mean more difficulty in reaching consensus, and more vetoes over potential courses of collective action. At the same time, the rise of so many developing powers with low per capita resources (e.g., Brazil) means that they are likely to want increased

²⁹ Office of the Director of National Intelligence, *Global Trends 2025*, 53.

³⁰ Joint Futures Group (J59), *The Joint Operating Environment (JOE)*, 58-59.

³¹ *Ibid.*, 39.

status and influence, yet be reluctant to commit major resources to global public goods provision. Ashley Tellis terms this the “apparently anomalous phenomenon of large and impressively growing states behaving as if they were still disadvantaged entities.”³² This suggests that the role of the U.S. as the world’s preeminent provider of public goods, e.g., securing the global commons, is likely to remain indispensable for the foreseeable future. However, providing security for the global commons must be a multilateral effort to ensure maximum success. In this venture, the full engagement of longstanding U.S. allies such as Japan and South Korea and newer friends such as India will be critically important. Otherwise, there is a risk that managing global commons will mean ceding important areas of influence to potential challengers to the status quo.

Asia-Pacific Applications

As the world’s most economically dynamic region, its greatest source of climate-changing pollution, and the one most militarily dynamic—the most at risk for high-level kinetic conflict³³ as well as perhaps the most at risk for non-traditional security threats—the Asia-Pacific area is the most critical area for Washington to understand the aforementioned trends and act accordingly. The world is witnessing an unprecedented transfer of wealth and influence from West to East. As Peter Petri emphasizes, “Between 1990 and 2030, Asia and the West (defined as the U.S. and Europe) will have roughly traded places in terms of output and other measures of economic mass.”³⁴ Specifically:

GDP... will change dramatically. Asia’s GDP share, in purchasing power terms, was only 40% of the West’s in 1990 and is projected to be 150% by 2030. ...Asia’s share will rise from 21% to 45% of world GDP, whereas the West’s share will decline from 50% to 29%. By 2030, Asia will be the

³² Ashley J. Tellis, “Strategic Asia: Continuing Success with Continuing Risks,” in Ashley J. Tellis, Andrew Marble, and Travis Tanner, eds., *Asia’s Rising Power and America’s Continued Purpose* (Seattle, WA: National Bureau of Asian Research, 2010), 6.

³³ For details, see Christopher P. Twomey, “Asia’s Complex Strategic Environment: Nuclear Multipolarity and Other Dangers,” *Asia Policy* 11 (January 2011): 51-78.

³⁴ Peter A. Petri, “Asia and the World Economy in 2030: Growth, Integration, and Governance,” in Ashley J. Tellis, Andrew Marble, and Travis Tanner, eds., *Asia’s Rising Power and America’s Continued Purpose* (Seattle, WA: National Bureau of Asian Research, 2010), 47.

dominant region of the global economy, much as the West was in 1990.³⁵

In fact, we are rapidly approaching 2014, “the watershed year when the Asia-Pacific area will contribute within 1% as much to the global economy as the United States and the EU combined.”³⁶ Truly, the twenty-first century is the Asia-Pacific Century—one in which the U.S. (unlike Europe) participates fully in core strategic areas, but is joined there by other important powers.

The rise of China, as well as the ongoing division of both sides of the Taiwan Strait and the Korean Peninsula, poses the risk of dangerous disruptions to the established international order, including nuclear instability and the proliferation of WMD in the case of North Korea. At the same time, multiple locations, particularly in Southern and Southeast Asia’s “arc of instability,” are home to some of the world’s most significant terrorist organizations, trans-national criminal syndicates, natural disasters, and outbreaks of pandemic disease. In this respect, the Asia-Pacific area is emerging not only as the most critical arena of world affairs in the twenty-first century, but also as a bellwether and microcosm of key trends that are already beginning to define the emerging international system. Applying the items outlined above yields the following implications for the Asia-Pacific area, and how the U.S. should work with its allies and friends there.

China’s Rise: Opportunities and Challenges. China is at the center of a rising Asia. According to the NIC,

China is poised to have more impact on the world over the next 20 years than any other country. If current trends persist, by 2025 China will have the world’s second largest economy and will be a leading military power. It also could be the largest importer of natural resources and the biggest polluter.³⁷

³⁵ Ibid., 61.

³⁶ Abraham M. Denmark, “Asia’s Security and the Contested Global Commons,” in Ashley J. Tellis, Andrew Marble, and Travis Tanner, eds., *Asia’s Rising Power and America’s Continued Purpose* (Seattle, WA: National Bureau of Asian Research, 2010), 174.

³⁷ Office of the Director of National Intelligence, *Global Trends 2025*, vi-vii.

These milestones have already been realized, far earlier than originally projected. Moreover, America's Asian interlocutors repeatedly emphasize a revealing truth: China's period of acute weakness, disorder, and victimhood during its Century of Humiliation from 1840-1945, and relative autarky from then until Deng Xiaoping's far-sighted "reform and opening up" of 1978, is an aberration. As recently as two centuries ago, China produced roughly 30% of global wealth, India 15%.³⁸ China is now returning to its pre-Columbian norm of being an economic center of gravity in East Asia and driver of global economic expansion (as is India in South Asia),³⁹ and advocates mutually beneficial development. This offers many positive opportunities for all Asia-Pacific nations, including the U.S. China shares national interests in development, trade, and security from sub-state and trans-national threats with nations throughout the region and around the globe. Unfortunately, however, it also poses increasing challenges to other nations' interests and key elements of the existing order. When it comes to other countries' reactions to rising powers, regime type often matters significantly. Unlike Japan's (economic) rise in the 1970s-'80s and India's rise in the 2000s, China's authoritarian political regime and unresolved territorial/maritime disputes undercut its attempts to project "peaceful development" diplomacy.

In any case, great power balancing and contention, perceived to have largely ended in Western Europe, appears alive and well in Asia. Friedberg envisions six alternative future power configurations for the region:

The first four possibilities (a restoration of American hegemony, an East Asian community, Sino-American "bi-gemony," and a U.S.-India-China triangle) appear to be relatively less likely than the final two (either Chinese hegemony or a balance between a grouping of authoritarian, continental states centered on China and a coalition of maritime democracies led by the United States).⁴⁰

In a further difference from the European Union, Friedberg contends that a robust

³⁸ Ibid., 7.

³⁹ Tellis, "Strategic Asia," 6.

⁴⁰ Friedberg, "The Geopolitics of Strategic Asia, 2000-2020," 30.

East Asian community with substantial non-economic integration is unlikely for the foreseeable future:

As a rising power with expanding ambitions, China has little to gain by locking itself into arrangements that will restrict its future freedom of action or give the United States a perpetual voice in the affairs of the region. Conversely, the weaker powers (especially Japan, but also South Korea and Australia, among others) will be wary of joining organizations that a powerful, opaque China can easily dominate.⁴¹

Unfortunately, the ASEAN experience suggests that in some cases China can buy influence through domestic politics and investment. If the regional strategic balance is not maintained, there is a risk that Beijing can persuade certain politicians to sell out their own national interest, and encourage larger “bandwagoning” behavior.

A fundamental question, then, is how China envisions the future role of the U.S. in the Asia-Pacific. The coincidence of America’s rise on the world stage with China’s more than a century of withdrawal from it means that China and the U.S. have never been powerful simultaneously. Neither have China and Japan “been major regional and global actors at the same time.”⁴² This unprecedented situation will require considerable adjustment in thinking on all sides, and here again the Asia-Pacific region is bearing witness to the evolution of key trends well before they characterize the world as a whole. As Friedberg asserts bluntly, “One way or another, the United States’ unipolar moment in Asia is drawing to a close.”⁴³ A major challenge is China’s acute historical grievances, which in many ways are quite understandable in principle, but not always productive in practice. Beijing has assured Washington repeatedly that it does not seek to push the U.S. out of the East Asian region, yet its military development and some diplomatic initiatives appear to be motivated by precisely that intention in critical respects. Moreover, since 2009, when China’s rapid emergence from the global economic crisis coupled with ongoing economic

⁴¹ Ibid., 35. For further, perhaps somewhat more optimistic discussion, see Victor D. Cha, “Complex Patchworks: U.S. Alliances as Part of Asia’s Regional Architecture,” *Asia Policy* 11 (January 2011): 27-50.

⁴² Office of the Director of National Intelligence, *Global Trends 2025*, 84.

⁴³ Friedberg, “The Geopolitics of Strategic Asia, 2000-2020,” 33.

challenges in the U.S., Europe, and Japan suggested a “power transition” to many Chinese observers, Beijing has both issued and permitted increasingly strident nationalistic rhetoric and has become ever more intransigent in its positions.⁴⁴ Thomas Christensen elaborates:

China’s negative diplomacy seems rooted in a strange mix of confidence on the international stage and insecurity at home. Since the onset of the financial crisis in 2008, Chinese citizens, lower-level government officials, and nationalist commentators in the media have often exaggerated China’s rise in influence and the declining power of the United States. ... top officials in Beijing have a much more sober assessment of China’s global position and of the development challenges ahead. ...

Apparently gone are the days when Chinese elites could ignore these voices. The government currently seems more nervous about maintaining long-term regime legitimacy and social stability than at any time since the period just after the 1989 Tiananmen massacre. Party leaders hope to avoid criticism along nationalist lines, a theme that has the potential to unify the many otherwise disparate local protests against Chinese officials. Moreover, individual officials need to foster their reputations as protectors of national pride and domestic stability during the leadership transition process, which will culminate in 2012 with the party’s formal selection of a successor to President Hu Jintao. Such an environment does not lend itself to policies that might be seen as bowing to foreign pressure or being too solicitous of Washington.

Further complicating matters is the fact that an increasing number of bureaucracies have entered into the Chinese foreign-policy making process, including those of the military, energy companies, major exporters of manufactured goods, and regional party elites. This is a rather new phenomenon, and the top leadership seems unwilling or unable to meld the interests of these different groups into a coordinated grand strategy. Some

⁴⁴ For further background, see David Shambaugh, “Coping with a Conflicted China,” *The Washington Quarterly* 34.1 (Winter 2011): 7-27.

of these domestic actors arguably benefit from China's cooperation with pariah states, expansive and rigid interpretations of sovereignty claims, and, in some cases, tension with the United States and its allies. They might benefit less—or even be hurt—by the sort of Chinese internationalism sought by the European Union, Japan, South Korea, the United States, and others.

Therefore, nationalist pundits and bloggers in China find allies in high places, and top government officials are nervous about countering this trend directly. The result has been the creation of a dangerously stunted version of a free press, in which a Chinese commentator may more safely criticize government policy from a hawkish, nationalist direction than from a moderate, internationalist one.⁴⁵

While it has been noticeably flexible and positive in other areas, with respect to its present territorial claims, China is unyielding. At the core of China's territorial concerns is the sensitive issue of Taiwan's status; Beijing refuses to accept the fact that while Washington does not support independence, it nevertheless seeks to ensure that the people of the island are not coerced militarily or forced to relinquish their democratic system. Fortunately, cross-Strait relations have improved markedly since Ma Ying-Jeou's election in March 2008, and there seems little danger of relapsing into the disastrously counterproductive era of Chen Shui-bian. Moreover, the U.S. is one of the few Asia-Pacific nations with which China does not have a territorial dispute. In fact, America's complete lack of territorial disputes in the region is one of the factors that allow it to be perceived as an honest broker in many respects.

Along its land borders, China retains major territorial disputes with India, as well as apparent disagreements with Bhutan. While Pyongyang has accommodated many Chinese demands to further the survival of its regime, a future unified Korea might act differently regarding border issues (e.g., the status of Paektu/Changbai Mountain). By and large, however, Beijing has settled, or is in the process of settling, what were once a far greater, and more volatile, set of disputes with nearly all its continental

⁴⁵ Thomas J. Christensen, "The Advantages of an Assertive China: Responding to Beijing's Abrasive Diplomacy," *Foreign Affairs*, 90.2 (March/April 2011).

neighbors, particularly Russia—sometimes by making significant concessions in terms of the ratio of area exchanged.⁴⁶

Virtually unresolved, by contrast, are China's maritime claims in the "Near Seas," the Yellow, East China, and South China Seas: it has exclusive economic zone (EEZ) and continental shelf disputes in the Yellow Sea with South Korea and in the East China Sea with Japan, as well as island disputes with Japan. It has been particularly assertive with respect to the latter, going so far as to suspend ministerial meetings and rare earth shipments (the latter in contravention of World Trade Organization rules) following the 7 September 2010 collision of Chinese trawler *Minjinyu* 5179 with a Japan Coast Guard patrol boat.

In the South China Sea, while China has cooperated with Vietnam in delimiting maritime claims in the Beibu/Tonkin Gulf, Beijing retains significant disputes with Hanoi and all its other neighbors. China has sovereignty disputes (over territory) with Taiwan, Vietnam, Malaysia, the Philippines, and perhaps Brunei. It has jurisdiction disputes (over sea zones and accompanying resources) with all of the former parties as well as Indonesia. Despite its persistence in its South China Sea claims and use of a "nine-dashed line" on all official maps, Beijing offers no definitive official basis for them, instead allowing official and semi-official interlocutors to draw selectively on as many as four different legal arguments, apparently to maximize claims while dismissing the contradictions therein.⁴⁷

This is part of a larger pattern in which China is attempting to lead a small minority of 23 of 192 UN member states in promoting revisionist and inconsistent interpretations of the UN Convention on the Law of the Sea (UNCLOS) in order to prohibit undesired operation of foreign military platforms in its claimed EEZ and the

⁴⁶ See "Appendix: Overview of China's Territorial Disputes," in M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton, NJ: Princeton University Press, 2008), 321-34.

⁴⁷ Peter Dutton, "Three Disputes and Three Objectives: China and the South China Sea," *Naval War College Review* (Autumn 2011), <http://www.usnwc.edu/getattachment/feb516bf-9d93-4d5c-80dc-d5073ad84d9b/Three-Disputes-and-Three-Objectives--China-and-the>

airspace above it.⁴⁸ Chinese prohibition of military operations in virtually the entire South China Sea would threaten freedom of navigation in some of the world's most important shipping and energy lanes, as well as set a precedent for 38% of the world's oceans potentially claimed as EEZ areas to be similarly restricted—even by nations that lacked the capacity to maintain order there in the face of sub-state threats. The U.S. is therefore working with interested members of the Association of Southeast Asian Nations (ASEAN), not to adjudicate regional maritime claim disputes—which as a matter of policy it does not do—but rather to ensure that these nations are not unfairly pressured by China.

China makes a reasonable distinction between its present domestic and regional focus and the earlier actions of European powers, which seized overseas colonies and otherwise used military force coercively far beyond their homelands. Close to its own continental homeland, however, it is unyielding and coercive in a way that few nations are today. It promises its neighbors “joint development,” but claims all sovereignty for itself—ignoring utterly sovereign claims deeply rooted in popular sentiment from its counterparts, and coercing them when they respond.

China likewise safeguards all substantive and symbolic aspects of its own sovereignty jealously, yet denies such approaches to others. Glaring examples of this double standard occurred in the aftermath of North Korea's 26 March 2010 sinking of South Korean corvette ROKS *Cheonan* (PCC-772) on South Korea's side of the Korea's de-facto maritime boundary, killing 46 sailors; of its revealing of an advanced uranium-enrichment program in November 2010; and of its shelling of South Korea's Yeonpyeong Island, killing two marines and two civilians, on the 23rd of that month. Instead of condemning Pyongyang's reckless behavior, which contravened core

⁴⁸ The twenty-three countries that currently claim some form of an EEZ-related right to regulate military activities are Bangladesh, Benin, Brazil, Burma, Cape Verde, China, Congo, Ecuador, Guyana, India, Iran, Kenya, Liberia, Malaysia, Maldives, Mauritius, Nicaragua, North Korea, Pakistan, Peru, Portugal, Somalia, and Uruguay. Of these, seven claim territorial seas in excess of twelve nautical miles—a clear departure from international norms. Six—Congo, Ecuador, Iran, Liberia, North Korea, and Peru—are not UNCLOS members. Peter A. Dutton, “China's Efforts to Assert Legal Control of Maritime Airspace,” in Andrew Erickson and Lyle Goldstein, eds., *Chinese Aerospace Power: Evolving Maritime Roles* (Annapolis, MD: Naval Institute Press, forthcoming July 2011); Raul Pedrozo, “Coastal State Jurisdiction over Marine Data Collection in the Exclusive Economic Zone,” in Peter A. Dutton, ed., *Military Activities in the EEZ: A U.S.-China Dialogue on Security and International Law in the Maritime Commons*, Naval War College China Maritime Study 7 (December 2010), 33.

United Nations principles and other international norms, Beijing treated both sides equally, hosted Kim Jong-Il for a state visit, called for calm, and thwarted meaningful UN sanctions. One could only imagine how Beijing would react if placed in a similar situation.

Given China's increasingly assertive rhetoric, reliance on nationalism as a source of Party legitimacy amid possible economic and social challenges, and preoccupation with bureaucratic politics leading up to the transition to fifth generation leadership in 2012, it is unlikely that China's approach will become more positive or conciliatory in the near future. This is extremely regrettable, as it represents the partial abandonment of nearly three decades of pragmatic, modest, and extremely effective policies instituted by Deng Xiaoping. Where many of China's neighbors were recently attracted by its impressive "soft power" approach, they are now increasingly concerned and seek U.S. support as a "hedge" against Chinese irredentism. The U.S. thus remains critical to maintaining a stable balance of power, and thereby preserving peace, in the Asia-Pacific.

A2/AD Weapons Development and Technological Revolution. Since World War II, the U.S. has helped to secure and maintain the global commons—key mediums used by all but owned by none. Initially, this involved the sea and air; more recently, it has come to include the space and cyber dimensions. As Abraham Denmark points out, however, "the rise of China is a defining characteristic of every commons. A 30-year military modernization effort has made China the region's largest potential threat to the stability of the commons while, ironically, also making it more dependent on those commons."⁴⁹ In order to further its parochial interests, Beijing wishes to impose antiquated territorial notions on the portions of these commons that adjoin its territory, and to do so it is developing A2/AD capabilities designed specifically to prevent U.S. and allied military intervention in any related scenarios. Like other lesser potential military competitors, it purposely avoids matching U.S. forces directly, and instead privileges operations optimized for a relatively narrow range of contingencies and missions.

China is therefore developing what might be termed a military with two-layered

⁴⁹ Denmark, "Asia's Security and the Contested Global Commons," 202.

capabilities, with the most capable forces positioned for high-intensity combat operations along China's contested maritime periphery, and less capable forces involved in lower intensity operations further from China's shores. China is able to focus significant resources on developing and deploying ballistic missiles and air and naval forces along its littoral to make it more difficult for the U.S. to operate at will, and to attempt to prevent outside intervention during crisis scenarios in the Near Seas.⁵⁰ North Korea is developing a variety of missiles and other weapons with much lower capability, but with a much higher likelihood of use.

China can afford substantial military development: its official 2011 defense budget is \$91.5 billion,⁵¹ ahead of Russia and Japan, and second only to that of the United States at \$685 billion (China's equivalent budget is thought to be substantially higher, particularly if purchasing power parity is factored in; the National Bureau of Asian Research offers an estimate of \$150 billion for 2008).⁵² This represents a 12.7% increase over the previous year; since 1990, the budget has enjoyed double-digit growth, with the exception of 2003 (in which growth was 9.6 percent) and 2010 (7.5 percent). China's defense spending has increased more than five-fold in real terms since the late 1990s, but so has its GDP.⁵³ Moreover, many Chinese observers view this as "compensatory" growth to make up for the "lost years" (1980s), when military spending was constrained severely.

Of course, it is to be hoped that the Asia-Pacific does not see further conflict in the future. China does not seek war, has significant shared interests with all regional states, and is making many positive contributions. Still, for reasons mentioned above,

⁵⁰ For a concise overview, see Andrew S. Erickson, "China's Evolving Anti-Access Approach: 'Where's the Nearest (U.S.) Carrier?'" Jamestown *China Brief*, 10.18 (10 September 2010), <http://www.andrewerickson.com/2010/09/china%E2%80%99s-evolving-anti-access-approach%E2%80%9Cwhere%E2%80%99s-the-nearest-u-s-carrier%E2%80%9D/>.

⁵¹ 关于2010年中央和地方预算执行情况与2011年中央和地方预算草案的报告 [Report on the Implementation of the Central and Local Budgets in 2010, and the Draft Estimates of the 2011 Central and Local Budgets], 2011年3月5日在第十一届全国人民代表大会第四次会议上 [March 5, 2011 at the Fourth Meeting of the Eleventh National People's Congress], 财政部 [Ministry of Finance], <http://online.wsj.com/public/resources/documents/2011NPCBudgetReportZhFull.pdf>.

⁵² "Security Challenges," "Indicators: Strategic Asia by the Numbers," in Ashley J. Tellis, Andrew Marble, and Travis Tanner, eds., *Asia's Rising Power and America's Continued Purpose* (Seattle, WA: National Bureau of Asian Research, 2010), 314.

⁵³ Andrew S. Erickson, "Chinese Defense Expenditures: Implications for Naval Modernization," Jamestown *China Brief*, Vol. 10, No. 8, 16 April 2010, [http://www.jamestown.org/single/?no_cache=1&tx_ttnews\[tt_news\]=36267](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=36267).

Beijing is unyielding regarding its sovereign claims, and is increasingly forceful in its determination to realize them. Furthermore, recent events suggest that in addition to these specific claims themselves, China is determined to establish a larger military “buffer zone” and strategic sphere of interest, in which it has the final say on what occurs. Beijing’s primary objective is limiting military-related activities along its periphery, although that could change as its power increases. The majority of its substantial military buildup, then, is intended to deter other nations’ opposition to these efforts, and as such it will have a major peacetime impact, particularly if it is perceived to negate U.S. and allied capabilities.

To safeguard its strategic interests amid rising A2/AD challenges, the U.S. must now shift its “approach to the global commons in Asia,” as Denmark points out, “from a uniform policy of dominance across the spectrum of warfare and at all times against all possible threats, to one that is more tailored, more nuanced, and more sustainable.”⁵⁴ To avoid excessive vulnerability to Chinese coercion, the U.S. and its allies and friends in the Asia-Pacific should therefore adhere to the following principles to shape force structures that are less susceptible to asymmetric challenges while not so escalatory in nature as to be difficult to use, and hence not credible deterrents in many scenarios.

- First, shift to less-manned and unmanned systems, which—while they face limitations given current technologies—can already be smaller, cheaper, and more disposable, thereby enabling better persistence, maneuverability, and tolerance of losses. Personnel costs absorb an increasing percentage of the military budgets of the U.S. and its regional allies and friends, making it essential to limit reliance on manpower wherever feasible.
- Second, for a limited number of relevant applications, consider shifting at least some operations from large, tightly-grouped targets (e.g., a carrier strike group) to smaller, dispersed, networked elements.
- Third, move from the increasingly-targeted sea surface to the harder-to-access undersea—and in some cases air—realms. Space, by contrast, is expensive to enter, hard to sustain assets in, contains no defensive ground, and—barring unsustainable fuel-intensive maneuvering—forces assets into

⁵⁴ Denmark, “Asia’s Security and the Contested Global Commons,” 198.

predictable orbits. Moreover, some of the most debilitating asymmetric tactics could be employed against space and cyberspace targets.

- Fourth, substitute passive defenses (e.g., dispersion of assets, and reinforced concrete) for active defenses (e.g., missile defense) in contexts in which this is cheaper and/or more effective.

Similar restructuring is occurring in the region's National Innovation Systems (NIS). The U.S. and Japan continue to register disproportionate numbers of patents per capita, and South Korea enjoys the world's highest rate of Internet connectivity. But, despite ongoing uncertainty about their comprehensive innovation capabilities, "China and India are expected in 10 years to achieve near parity with the US in two different areas: scientific and human capital (India), and government receptivity to business innovation (China)."⁵⁵ This is certain to have larger "geotechnological" implications.

Sustaining Alliances in a Maturing Region. One area of Beijing's more unfortunate double standards is consistently opposing U.S. alliances, particularly those in East Asia, while maintaining its own 1961 alliance with North Korea. Washington should proudly maintain its alliances in a mutually consensual fashion as long as they serve the interests of both parties. In the Asia-Pacific, the U.S. has five treaty allies: Australia, Japan, the Philippines, South Korea, and Thailand. It also enjoys key strategic relationships with Singapore, India, and Indonesia.⁵⁶ But the U.S. must be sensitive to challenges inherent in the alliances and partnerships themselves, and work closely with its counterparts to address them. The fact that China is the largest trading partner of Australia, Japan, and South Korea, as well as of Taiwan, Vietnam and India, in addition to being the second largest trading partner of the U.S., must be considered appropriately.

The first challenge concerns the politics of American security ties in post-authoritarian East Asia. In order to defend maritime East Asia from communism's dead-end devastation during the Cold War, the U.S. cooperated with the authoritarian

⁵⁵ Office of the Director of National Intelligence, *Global Trends 2025*, 13.

⁵⁶ Bruce Vaughn, *U.S. Strategic and Defense Relationships in the Asia-Pacific Region* (Washington, DC: Congressional Research Service, 2007), <http://www.fas.org/sgp/crs/row/RL33821.pdf>.

governments then in power as key military allies, thus becoming embroiled in complex struggles over national identity that are playing out in democratic politics today. A common pattern may be observed in which a populist political opposition, repressed under former authoritarian/colonial rule, finally achieves power and seeks policies to overturn elite power structures domestically, strengthen national identity symbolically, and put military relations with the U.S. on more “equal” terms.

However understandable in principle, in practice this typically results in political paralysis, deterioration in relations with Washington, and exploitation by the nation whose earlier threats helped to motivate the alliance in the first place. In South Korea, this was complicated by war, national division, and regional identity; in the Philippines, by America’s colonial legacy. While the U.S. ended its alliance with the Republic of China in 1980, and it does not enjoy status as a sovereign nation, local politics today exhibits many similar dynamics thanks to similar historical factors. In a certain respect, parallel patterns have manifested themselves in Indonesia as well, given its long and convoluted history of relations with the U.S. This included clear long-term U.S. support for Suharto, and a perception that Washington suddenly withdrew support in 1998-99, just as Indonesia was transitioning to democracy.

Even in Japan, a robust democracy since the beginning of the post-war era, distantly related factors appeared at work during its previous administration. Basing issues will continue to be sensitive in this era of dynamic change in domestic politics. Tokyo will be an increasingly important regional player in certain ways, and yet faces challenges in contributing within a more fluid and messy Asia-Pacific security environment. Japan falls right within China’s A2/AD range rings, and has a huge stake in the global commons, energy security, the environment, and other critical issues. Domestic challenges, particularly an aging society, suggest that Japan needs the alliance even more than ever before as a vehicle for adaptation.

To address these challenges, the U.S. needs to be sensitive to historical grievances and symbolism, and maintain robust connections and dialogue with actors across the political spectrum in each of its democratic allies. Periodic North Korean aggression and rising Chinese nationalism are reminding U.S. partners in the region of the

importance of these alliances.⁵⁷

Second, Japan, South Korea, and Taiwan—as well as mainland China—are among the most rapidly aging societies in the world. Aging is driven by a multitude of other factors, including deliberate government policies to encourage smaller families in the 1950s and '60s across Asia, changing social values, access to higher education, and a wider range of employment opportunities for women. Not only are families getting smaller, but people are living much longer too, owing to improved medical care. The combination of fertility decline and longevity at both ends of the demographic spectrum is leading to graying societies.⁵⁸ This is also due to the concentration of Asian populations in megacities: “Of the world’s 19 megacities, the Asia-Pacific region has 11, including 6 of the 10 largest.”⁵⁹ The overall result, as Nicholas Eberstadt calculates, is that

Sub-replacement fertility... characterizes the entire eastern Asian expanse [which has] fertility levels... seldom before registered in populations untouched by famine or wartime upheavals. Japan’s current estimated NRR [net replacement rate], for example, is just 0.61 [as compared to the rate of 2.1 needed for replacement], while South Korea’s is a mere 0.57. In Southeast Asia, steep sub-replacement fertility is the norm in the affluent city-state of Singapore (with an estimated NRR of 0.61) and in increasingly prosperous Thailand (0.85); yet far less developed societies—including Vietnam and Myanmar/Burma—apparently now also have sub-replacement fertility levels. Other major Asian population centers, including Indonesia and Bangladesh, look to be on the verge of net replacement, and are on a trajectory toward sub-replacement in the years just ahead if current trends continue.⁶⁰

⁵⁷ For further examples, see Byung-Kook Kim, “Interests, Identity, and Power in Northeast Asian Security,” in Kim and Anthony Jones, eds., *Power and Security in Northeast Asia: Shifting Strategies* (London: Lynne Rienner, 2007), 272-77.

⁵⁸ Richard and Howe, *The Graying of the Great Powers*.

⁵⁹ Richard A. Matthew, “Climate Change and Environmental Impact,” in Ashley J. Tellis, Andrew Marble, and Travis Tanner, eds., *Asia’s Rising Power and America’s Continued Purpose* (Seattle, WA: National Bureau of Asian Research, 2010), 214.

⁶⁰ Nicholas Eberstadt, “Asia-Pacific Demographics in 2010-2040: Implications for Strategic Balance,” in Ashley J. Tellis, Andrew Marble, and Travis Tanner, eds., *Asia’s Rising Power and America’s Continued Purpose* (Seattle, WA: National Bureau of Asian Research, 2010), 243.

Because of these trends, “the Asia-Pacific region stands to be swept by a wave of population aging never before witnessed on a national scale.”⁶¹

With one of the most favorable long-term demographic growth profiles in the Asia-Pacific, the U.S. promises to be a strong and reliable long-term partner. In 2040, it will still have the world’s third largest population at roughly 400 million (versus 315 million today). It will still be growing then, “unlike China’s, Russia’s, or Japan’s—at an envisioned tempo of just under 0.5% per annum, approximately the same as India’s.” During the next three decades, America’s

...conventionally defined working-age population (ages 15-64) is expected to increase rather than decline, and to still be increasing three decades hence (unlike Russia’s, Japan’s, or China’s). Although the United States will, of course, be an aging society, the projected trajectory of population aging between 2010 and 2040 is more moderate than for any of the other major powers of the Asia-Pacific region. The median age is seen as rising by far less in the United States than in any of the other major regional powers. By 2040, the U.S. median age, in UNPD [UN Population Division] projections, would be thirteen years lower than in Japan... and three years lower than China’s. Likewise, the 65 and older cohort would constitute a much smaller share of total population than in Japan and a somewhat lower share than in China.⁶²

To mitigate these demographic challenges, the U.S. needs to work closely with its regional allies such as Japan and South Korea to develop coping strategies; their recent historic decision to enhance bilateral cooperation is an encouraging and mutually beneficial step.

The U.S. also needs to further develop other partnerships with demographically vibrant nations with similar interests and values that wish to increase their public goods provision and influence in the Asia-Pacific. Despite regional disparities, particularly between a more developed, urbanized south and a poorer Hindi-speaking

⁶¹ Ibid., 245.

⁶² Ibid., 259.

north, India is an especially attractive partner in this regard: it is expected to produce fully 20% of world population growth between now and 2025.⁶³ Specifically, India is:

...on the verge of becoming an almost ideal exemplar of a society ready to benefit from a phenomenon that has been called the “demographic dividend.” In the three decades immediately ahead, India’s pool of working-age manpower is projected to grow by nearly 40% (an average of over 1% a year), and the proportion of working-age to total population to rise steadily. At the same time, by these projections India would still remain a relatively youthful country in 2040, with a median age of 35, a 65 years and older cohort accounting for less than 11% of the total population, and a ratio of working-age to 65 years and older of over six to one....⁶⁴

To be sure, “the educational attainment of the Indian workforce (as measured by years of schooling) is set to lag far behind that of China for decades to come,”⁶⁵ and “India would appear to be approximately half a century behind China in the quest to achieve universal literacy.”⁶⁶ But, issues of comparative educational quality aside, “three decades from now, India’s pool of university trained manpower is projected to be nearly 50% larger than China’s and twice as large as the United States’.”⁶⁷ And multiple statistics suggest years of robust Indian economic growth. India’s population of young male manpower (ages 15-24) surpassed China’s in 2010, and may be over 20% larger by 2040; China’s has already begun to decline.⁶⁸ India will have more military-age men with secondary or tertiary education than China starting in 2015, and may have 40% more by 2040.⁶⁹ Over the next three decades, “India’s urban population may be growing almost twice as rapidly as China’s.”⁷⁰ By 2040, India’s overall working-age labor pool will be “distinctly larger than China’s.”⁷¹ While China may long enjoy an advantage in many qualitative factors, India’s growing

⁶³ Office of the Director of National Intelligence, *Global Trends 2025*, 19.

⁶⁴ Eberstadt, “Asia-Pacific Demographics in 2010-2040,” 253.

⁶⁵ *Ibid.*, 267.

⁶⁶ *Ibid.*, 269.

⁶⁷ *Ibid.*, 273.

⁶⁸ *Ibid.*, 262.

⁶⁹ *Ibid.*, 263.

⁷⁰ *Ibid.*, 266.

⁷¹ *Ibid.*, 265.

population and labor pool will nevertheless have important implications.

While India's colonial experience and sub-continental size renders New Delhi averse to formal alliances, it has already begun to cooperate more closely with Washington and Tokyo, particularly in the maritime dimension. New Delhi does not seek to be part of an "anti-China alliance," but that is not, and should not be, Washington's objective. Rather, the goal should be to establish a growing set of connections and exchanges with India as a particularly large robust one of many ad hoc coalitions to further a variety of cooperative efforts in the region. This will help to ensure that no one power can dominate it and coerce its neighbors—a principle that is broadly appealing.

Demography also suggests critical dynamics in cross-Strait relations, and implications for China's rise. Taiwan has the lowest birth rate of any major society in the world (Hong Kong and Macau's are lower), while its population enjoys one of the highest life expectancies. This will constrain Taiwan's strategic choices significantly. Coupled with rapid cross-Strait economic integration, this implies that Taiwan will have to import significant numbers of Mainland workers to complete its workforce and help care for its elderly. At the same time, workers are already coming from Vietnam, Thailand, the Philippines, and Indonesia, with possible influence on societal identity. Independence is thus simply unrealistic for Taiwan, but it remains uncertain what sort of mutually agreeable understanding might be reached across the Strait in coming years, and whether a specific level of Mainland economic development and political reforms might be necessary for this to appeal to the people of Taiwan.

As for mainland China, its current trajectory with respect to economic development and military growth is impressive, and is likely to remain so for at least another decade. But even before the outer end of this study's timeframe—ca. 2030-35 by even the most optimistic estimates—China will start aging to such a degree as to call any straight-line projections of these trends into serious doubt. More likely, China's accretion of comprehensive national power will resemble the "S-curve" pattern that Robert Gilpin identified, in which a great power in its early years of modernization can exploit low labor costs and initial infrastructure investment to grow rapidly, but ultimately assumes social welfare and international burdens that progressively slow

its growth, and may even check its rise in the international system.⁷²

Population decline may enhance China's domestic manifestation of Gilpin's pattern. As Eberstadt relates, "China has been a sub-replacement society for perhaps twenty years [with a] current net replacement rate (NRR) [of] just 0.77, and some authoritative estimates suggest that it could be even lower than this."⁷³ China's total working age population is poised to start decreasing in 2015. This trend is exacerbated by traditions of early retirement, e.g. in clerical jobs, particularly for female workers. Already, the proportion of older, sicker, and less educated workers is starting to rise. These trends threaten the core of China's current labor-intensive growth model, which is built on manufacturing conducted by large numbers of extremely low-salaried workers. While China's technological capabilities have improved in many respects, it has not yet succeeded in moving far up the value-added chain. For the first time since China's economic boom started in the 1980s, large numbers of factories in the industrial heartland of Guangdong Province's Pearl River Delta have closed, and others have struggled to find workers even after raising wages significantly.

China's one-child policy, for all its loopholes and unevenness in application—combined with the financial and social opportunities and pressures accompanying some of the world's most rapid urbanization—is yielding a "4-2-1 problem"—an increasing population of "kinless families" of single children of single children married to the same with no aunts, uncles, or cousins, only ancestors and a child or two of their own at most. By one estimate, "by 2020, roughly 42% of urban China's prospective parents [may] be only children... by 2030, only children would account for the clear majority (58%) of adults in this group."⁷⁴

"By any yardstick one cares to select," explains Eberstadt, "Chinese society overall will be graying at a tremendously rapid, and indeed almost historically unprecedented, pace over the next generation."⁷⁵ By 2040, "China's projected proportion of senior citizens 65 years and older would be far higher than that of the United States or

⁷² Robert Gilpin, *War and Change in World Politics* (Cambridge, UK: Cambridge University Press, 1983).

⁷³ Eberstadt, "Asia-Pacific Demographics in 2010-2040," 243.

⁷⁴ *Ibid.*, 250.

⁷⁵ *Ibid.*, 248.

Europe today—indeed, possibly higher than any level yet recorded for a national population.”⁷⁶ “In urban China, fertility today is extraordinarily low, with TFRs [total fertility rates] averaging perhaps 1.2 and TFRs of barely 1.0 in the largest metropolitan areas such as Beijing, Shanghai, and Tianjin.”⁷⁷

Meanwhile, albeit in part because of an exodus of young workers to cities, China’s countryside—envisioned to be the location of China’s next wave of low-cost growth to reduce inequality—is graying even more rapidly than its cities.

With sole responsibility for the care of four parents, couples in this position may increasingly look to the government for assistance. However morally valuable the pension and health care programs that emerge from this, they will take significant effort to establish (as China lacks them almost completely now), and will detract from economic growth and defense spending. As CSIS states, in the 2020s, China’s “last large generation, born in the 1960s, [will begin] to retire,”⁷⁸ forcing China to “face a developed country’s level of old-age dependency with only a developing country’s income.”⁷⁹

A further consequence of the one-child policy is a growing “surplus” of males that is already among the highest in the world. The current official sex ratio for 1-4 year old children is 123 (vice the biological norm of 105). This may increase the number of men in their late thirties who have never been married from 5% to 25% by 2040—a trend of potentially problematic social consequences, particularly in a country where universal marriage is still the norm.⁸⁰ In certain impoverished rural areas, it is already becoming extremely difficult for low status men to marry. This unprecedented proportion of “bare branches” is fueling sham marriages and human trafficking from both within and outside of China, and could ultimately result in unrest.⁸¹

⁷⁶ Ibid., 246.

⁷⁷ Ibid., 247.

⁷⁸ Jackson and Howe, *The Graying of the Great Powers*, 11.

⁷⁹ Ibid., 5.

⁸⁰ Eberstadt, “Asia-Pacific Demographics in 2010-2040,” 249.

⁸¹ Valerie M. Hudson and Andrea M. Den Boer, *Bare Branches: The Security Implications of Asia’s Surplus Male Population* (Cambridge, MA: MIT Press, 2005).

China's Resource Appetite... and Ours. To understand key world energy and resource trends over the next two decades, one must look to Asia—particularly China. In keeping with overall economic trends, as Petri explains, “Asia will account for 40% of total energy consumption in 2030, but 68% of growth in energy consumption between 2010 and 2030. In carbon dioxide (CO₂) production, 81% of the increase in world emissions is projected to come from Asia.”⁸² China has already equaled the U.S. in overall energy consumption and greenhouse gas emissions. It became a net oil importer in 1993, and a net coal importer in 2009. The latter remains its primary energy source, and growth of demand is dramatic, as Mikal Herberg points out:

China and India, which accounted for only one-fifth of global coal consumption in 1980, now account for nearly one-half, and by 2030 are likely to account for two-thirds of global consumption. The two countries combined are expected to account for 80% of the entire global increase in coal use between now and 2030.⁸³

The two nations' global carbon emissions are projected to rise by 45% during that time.⁸⁴

China's tremendous appetite for natural resources in particular will remain a key influence behind economic and security policies in the East Asian region and abroad. As Herberg explains, China is becoming “a global energy power” whose

...rapidly growing energy demand and increasing dependence on imported energy, combined with its active, state-centered reach outward to secure control of supplies through its NOC [national oil company] investments, financial largesse, and various trade and aid emoluments in key energy-exporting regions, promise to reshape the global energy security order as

⁸² Petri, “Asia and the World Economy in 2030,” 61.

⁸³ Mikal E. Herberg, “The Rise of Energy and Resource Nationalism in Asia,” in Ashley J. Tellis, Andrew Marble, and Travis Tanner, eds., *Asia's Rising Power and America's Continued Purpose* (Seattle, WA: National Bureau of Asian Research, 2010), 119-20.

⁸⁴ “Energy and the Environment,” “Indicators: Strategic Asia by the Numbers,” in Ashley J. Tellis, Andrew Marble, and Travis Tanner, eds., *Asia's Rising Power and America's Continued Purpose* (Seattle, WA: National Bureau of Asian Research, 2010), 312.

much as the global and strategic economic order.⁸⁵

Possessing the world's largest foreign exchange reserves, a formidable yet opaque sovereign wealth fund and its recent foreign investment drive further enhances Beijing's leverage.

Several key factors are at work here. First, even if China transitions to slightly slower economic growth, i.e., 5% per year GDP growth versus the 8-10% that prevailed over the past decade, the additional demand for natural resources will remain formidable.

Second, like other developing economies, including in Asia, China will be "less willing to sacrifice output growth to avoid environmental harm."⁸⁶ Most economies have developed using highly polluting industries first, and then improved environmental conditions when resulting rises in living standards generated new societal priorities. China, with its First World coastal cities and Third World countryside, is home to some of the world's highest levels of income inequality; it is difficult to see how this "grow first" mentality can be transcended anytime soon.

Third, as China tries to rebalance its economy in favor of domestic consumption, demand growth will be especially strong for commodities such as copper (appliances), coal (higher power demand), paper and aluminum (packaging), grain (rising meat consumption), and oil (rising car ownership). The potential for the last is suggested by China's ongoing addition of 1,000 km of four-lane highway per year.⁸⁷ Most of these commodities will need to be imported by sea, and will only reinforce Beijing's perceptions that its maritime natural resource arteries are vulnerable to interdiction by foreign navies. Forty percent of China's oil currently arrives by sea; no amount of pipeline building will reduce seaborne imports. Maritime trust-building activities such as multilateral sea-line-of-communication (SLOC) security exercises in which China's navy is invited to participate will be essential tools in this regard. The U.S. and its treaty partners should also prepare for the fact that despite trust-building and

⁸⁵ Herberg, "The Rise of Energy and Resource Nationalism in Asia," 122, 136.

⁸⁶ Petri, "Asia and the World Economy in 2030," 61.

⁸⁷ Joint Futures Group (J59), *The Joint Operating Environment (JOE)*, 26.

outreach programs, China is likely to continue to modernize its naval forces rapidly.

To help address the fundamental roots of Chinese maritime and resource supply insecurity, technological cooperation is needed to improve energy efficiency and reduce carbon emissions and the demand for oil, gas, coal, uranium, and other strategic commodities that China increasingly imports by sea. Such cooperation must of course occur on a mutually beneficial basis, but there is significant potential assuming that Beijing and Chinese companies are willing to negotiate and cooperate in good faith.

The U.S., as “both a strategic and an energy superpower,” is well-positioned to engage in this and related dialogue. Other key participants include “India [which] is becoming a regional energy power, and Japan [which] is the third-largest oil importer in the world and the global superpower of energy efficiency.”⁸⁸ Clean coal technologies are a particular promising area, given China’s heavy reliance on this fuel. Nuclear power plants are promising because they do not release greenhouse gases:

If China achieves its ambitious goal of more than one hundred operating commercial reactors by 2030, it will likely become the state with the most nuclear power plants in the world unless a major surge in construction occurs in the United States. China may also emerge by then as a major supplier of nuclear technologies and may garner clients in Africa, the Middle East, and Southeast Asia.⁸⁹

Ongoing collaboration between U.S. companies Westinghouse and GE Nuclear with respective Japanese counterparts Toshiba and Hitachi can help to ensure that the U.S. benefits from the coming “green revolution” in nuclear power.

Trans-national Threats: Basis for Region-Wide Cooperation. Here there is reason for considerable optimism: all East, Northeast, Southeast, and South Asian states are opposed to terrorism and other illegal and disruptive activities by non-state actors.

⁸⁸ Herberg, “The Rise of Energy and Resource Nationalism in Asia,” 136.

⁸⁹ Charles D. Ferguson, “The Implications of Expanded Nuclear Energy in Asia,” in Ashley J. Tellis, Andrew Marble, and Travis Tanner, eds., *Asia’s Rising Power and America’s Continued Purpose* (Seattle, WA: National Bureau of Asian Research, 2010), 146.

Even North Korea, while still engaging in limited lethal military actions and criminal activities to obtain hard currency, does not currently support sub-state terrorist activities—unlike Iran, for example. Despite their differences regarding appropriate definitions of, and policies toward, terrorism, the U.S., India, China, and other nations have all suffered severely from it and are working hard to prevent it. Certainly no state is in favor of natural disasters; nearly all have been victim to them. Consider these staggering statistics:

over the last 30 years Bangladesh has seen 191,637 deaths as a result of major natural disasters, with storms claiming 167,178 lives. Indonesia has lost 191,105 lives over the same period, but 165,708 of these casualties were caused by the tsunami in December 2004.... India is subject to a wide variance of events and has lost 141,961 of its population to major natural disasters since 1980, including 50,000 to earthquakes, 40,000 to floods, 15,000 to epidemics and 23,000 to storms. China has suffered more losses than India, with 148,417... a high concentration of these occurred during the 2008 Sichuan earthquake where 87,476 people lost their lives.⁹⁰

These shared threats—which reveal shared interests in economic development, trade, and the security of the global commons—offer a compelling rationale for further cooperation among regional nations. This is particularly true as globalization generates further nontraditional security threats, and nations develop better military and non-military means to address them—thereby furnishing more capabilities and expertise to share and compare. The potential for this approach is demonstrated even in the volatile U.S.-China relationship. The tragic events of 11 September 2001 helped to “reset” relations between Washington and Beijing, with the latter offering significant assistance.

More recently, China has developed military capabilities to provide public goods that it utterly lacked a decade ago, and has dispatched: a frigate and military transport

⁹⁰ “BRICs and N11 Countries Top Maplecroft’s Natural Disaster Risk Ranking—France, Italy, USA at ‘High Risk,’” *Maplecroft*, 26 May 2010, http://www.maplecroft.com/about/news/natural_disasters.html; op. cit. Richard A. Matthew, “Climate Change and Environmental Impact,” in Ashley J. Tellis, Andrew Marble, and Travis Tanner, eds., *Asia’s Rising Power and America’s Continued Purpose* (Seattle, WA: National Bureau of Asian Research, 2010), 210.

aircraft to safeguard the evacuation of Chinese citizens from Libya in February 2011,⁹¹ seven (and counting) successive counter-piracy task forces to deter pirates in the Gulf of Aden since December 2008, a hospital ship to treat over 15,500 in Indian Ocean and African nations in summer 2010, and a variety of aircraft, vehicles and personnel to assist the victims of two major earthquakes (Wenchuan, 2008; Yushu, 2010)—as well as other natural disasters—in China.

Public Goods: Contribution Determines Influence. Ultimately, America's position in the international system is a question of its power, purpose, and provision of goods that benefit allies and other nations, as well as such component systems as the global commons. While it engaged in significant regional actions in its early years, the U.S. was only thrust into the role of a global superpower by events in which it had initially been reluctant to participate. As America's role in the world is once more under close scrutiny both at home and abroad, it is useful to examine the rationale for its disproportionate international presence efforts. At its best, Washington has offered both a positive example of an effective democratic capitalist system at home and the provision of development assistance and security in critical world regions and on the global commons. During the mid-twentieth century, America helped to end the greatest, most devastating war in history and to establish international institutions that have furthered peace and prosperity. In Europe, using such programs as the Marshall Plan, Washington helped to rebuild the western portion of a shattered continent and set the stage for the development of the European Union. In Asia, primarily through military deployments, alliances, and preferential trade policies, America helped provide the conditions for littoral economies to develop free of communist coercion, achieve unprecedented economic growth, and export goods via secure global commons. Following rapprochement with China in 1972, the U.S. has done more than any other country to further that great power's development.⁹²

⁹¹ See Gabe Collins and Andrew Erickson; "The PLA Air Force's First Overseas Operational Deployment: Analysis of China's decision to deploy IL-76 transport aircraft to Libya," *China SignPost*TM (洞察中国), No. 27 (1 March 2011); "Missile Frigate Xuzhou Transits Suez Canal, to Arrive off Libya ~Wednesday 2 March: China's first operational deployment to Mediterranean addresses Libya's evolving security situation," *China SignPost*TM (洞察中国), No. 26 (27 February 2011); "China Dispatches Warship to Protect Libya Evacuation Mission: Marks the PRC's first use of frontline military assets to protect an evacuation mission," *China SignPost*TM (洞察中国), No. 25 (24 February 2011); available at www.chinasignpost.com.

⁹² For further discussion, see G. John Ikenberry, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press, 2005).

America now faces a world in which some of its weightiest historical missions of previous years have been largely accomplished. Washington determined that it was in its interest to have Western Europe and the East Asian littoral prosperous and free, and—thanks largely to their own ingenuity and efforts—they now are. A partial consequence of this success is that the United States is no longer dominant in the way that it was in the free world for forty-five years and in the entire world for twenty. But it remains preeminent and indispensable, the only power with the ability and willingness to accomplish certain things that are vitally necessary for the continued function of the international system. As much as many nations, even America's closest allies, may sometimes bridle at its power and influence, they are even more concerned about the possibility that it may be unable to maintain them. Accordingly, this study's initial section regarding key global trends contains prescriptions for preserving American power and influence; the above section applies these factors to the Asia-Pacific, and suggests how Washington can make positive contributions there.

In today's "unipolar" or "uni-multipolar" world, being a good global citizen for the U.S. will increasingly entail assembling and working with coalitions, and even to encourage other nations to engage in positive leadership of their own. The former is the very essence of the U.S. maritime strategy;⁹³ the latter is the essence of Washington's encouraging Beijing to act as a "responsible stakeholder." Recognizing that China is an increasingly powerful state that desires to build great power status and play an important role on the world stage, Washington rightly suggests that the U.S. and other nations will recognize China in this regard in proportion to the contributions that it makes to the public good. Or, as the concept is expressed in the popular American movie 'Spiderman', "With great power comes great responsibility." The risk inherent in pursuing this 'Spiderman Doctrine,' however, is that if China as an increasingly important stakeholder changes its mind fundamentally about its role in the international system, the U.S. risks "creating a monster" in the words of Christensen.⁹⁴ It will be incumbent on Beijing to provide concrete, verifiable

⁹³ U.S. Chief of Naval Operations and the Commandants of the U.S. Marine Corps and U.S. Coast Guard, *A Cooperative Strategy for the 21st Century Seapower*, 17 October 2007, <http://www.navy.mil/maritime/MaritimeStrategy.pdf>.

⁹⁴ Thomas J. Christensen, "Fostering Stability or Creating a Monster? The Rise of China and U.S. Policy toward East Asia," *International Security* 31.1 (Summer 2006), 81-126.

reassurances that this will not be the case. The influential Tsinghua University professor Wang Jisi offers concrete examples of what this might entail:

Although the vast majority of people in China support a stronger Chinese military to defend the country's major interests, they should also recognize the dilemma that poses. As China builds its defense capabilities, especially its navy, it will have to convince others, including the United States and China's neighbors in Asia, that it is taking their concerns into consideration. It will have to make the plans of the People's Liberation Army more transparent and show a willingness to join efforts to establish security structures in the Asia-Pacific region and safeguard existing global security regimes, especially the nuclear nonproliferation regime. It must also continue to work with other states to prevent Iran and North Korea from obtaining nuclear weapons. China's national security will be well served if it makes more contributions to other countries' efforts to strengthen security in cyberspace and outer space. . . . China will serve its interests better if it can provide more common goods to the international community and share more values with other states.⁹⁵

While working to reduce the chances of a catastrophic outcome occurring, Washington is clearly willing to allow Beijing to assume greater international leadership: its joint invitation for China's navy to lead the Combined Maritime Forces' counterpiracy efforts (still under consideration by Beijing) is an excellent example.⁹⁶ What will not produce great power status and respect for China is insisting that such status is due inherently, and that simply developing one's own country (an understandable but decidedly self-centered approach) is sufficient, all the while "free riding" in many critical respects. There is more work to be done in the world than ever before. China is making increasingly positive contributions, but does not approach that of other Asia-Pacific nations in many critical ways—e.g., of Japan in UN funding. Regardless

⁹⁵ Wang Jisi, "China's Search for a Grand Strategy: A Rising Great Power Finds Its Way," *Foreign Affairs*, 90.2 (March/April 2011).

⁹⁶ See Andrew S. Erickson, "Chinese Sea Power in Action: the Counter-Piracy Mission in the Gulf of Aden and Beyond," in Roy Kamphausen, David Lai, and Andrew Scobell, eds., *The PLA at Home and Abroad: Assessing the Operational Capabilities of China's Military* (Carlisle, PA: U.S. Army War College and National Bureau of Asian Research, July 2010), 295-376, <http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=995>.

of these challenges, however, creating strong incentives for China to actively participate in the existing international system and abide by its implicit and explicit codes of conduct is a promising device for containing and accommodating its rise.⁹⁷ The best way to “assist those Chinese elites who are espousing creative, constructive, and assertive policies while undercutting those who advocate reactive, conservative, and aggressive ones,” Christensen maintains, “is to consistently offer China an active role in multilateral cooperative efforts—and without displaying jealousy of the newfound influence China might gain by accepting this role.”⁹⁸

Conclusion

One must be humble in making future projections, however tentative. Much can and will happen in the four decades between now and 2050. Key “wild cards” include an act of nuclear terrorism, the evolution of key regional flashpoints, declining influence of multilateral institutions, state neomercantilism, the collapse or demotion in status of a major currency, climate change, and possible technological breakthroughs (e.g., facilitating alternative energy and water purification).⁹⁹ Nevertheless, several pronounced trends seem to be emerging as the U.S. moves beyond its “unipolar moment,” yet appears poised to remain the world’s sole superpower for years to come.

First, East Asia and the West are trading places economically. China in particular is enjoying remarkable growth that is funding robust civil and military development, and greatly increasing its diplomatic and environmental influence. But people matter, and so too do population trends: by 2025-30, China and India will trade places demographically, when India will achieve the world’s largest population and will be growing rapidly as China’s population peaks and begins to decline slightly. China is thus emulating its Northeast Asian neighbors Japan and South Korea in rapid aging, the U.S. is holding steady, and India is in demographic ascendance. Exceptional demographics will increase the proportion of American population, wealth, and influence in the developed world, maintaining Washington’s appeal as an alliance

⁹⁷ G. John Ikenberry, “The Rise of China and the Future of the West: Can the Liberal System Survive,” *Foreign Affairs* (January/February 2008).

⁹⁸ Christensen, “The Advantages of an Assertive China.”

⁹⁹ Office of the Director of National Intelligence, *Global Trends 2025*, v.

partner. The U.S. and its allies must work with India and other more youthful powers to further international norms and the rule of law in a changing world.

All this affects America's place in the world and its policy options. According to a sober assessment by the NIC,

The United States will have greater impact on how the international system evolves over the next 15-20 years than any other international actor, but it will have less power in a multipolar world than it has enjoyed for many decades. Owing to the relative decline of its economic, and to a lesser extent, military power, the US will no longer have the same flexibility in choosing among as many policy options. We believe that US interest and willingness to play a leadership role also may be more constrained as the economic, military, and opportunity costs of being the world's leader are reassessed by American voters. Economic and opportunity costs in particular may cause the US public to favor new tradeoffs.¹⁰⁰

Yet the NIC also projects that anti-Americanism is likely to decline, demand for U.S. leadership and public goods provision will remain strong, and America's position and options will be shaped by international events. For instance, China's rise could be slowed, complicated, or even threatened in critical aspects with derailment by a wide range of other issues, including water and resources shortages, environmental devastation, ethnic and religious discord, income and urban-rural inequality, enduring corruption, social unrest, and political transition.¹⁰¹ "Any of these problems might be soluble in isolation," assesses the NIC, "but the country could be hit by a 'perfect storm' if many of them demand attention at the same time." Such setbacks could be particularly dangerous for the Party given popular expectations of rising living standards and foreign treatment of China being based in part on its perceived future potential.¹⁰² Substantial economic and even political reforms—at least increased rule of law, political pluralism, and freedom of expression¹⁰³—may be needed to address

¹⁰⁰ Ibid., 93.

¹⁰¹ For further discussion, see "Changing, Challenging China," *Harvard Magazine* (March-April 2010): 25-33, 73.

¹⁰² Office of the Director of National Intelligence, *Global Trends 2025*, 30.

¹⁰³ Ibid.

the needs of Chinese society in the future.¹⁰⁴ Moreover, even achieving the most dramatic historical accomplishment, achieving reunification with Taiwan in some fashion (however loose and symbolic), might not fuel the outward military expansion that some observers expect. Rather, it could catalyze political instability and reforms, causing China to turn inward geopolitically for some time. While this might ease fears about Chinese assertiveness, it might also harm Beijing's international public goods provision. Yet China is clearly poised to play an important role in the region and the world even as the U.S. does as well; both Washington and Beijing must come to terms with this unprecedented historical phenomenon.

The Korean peninsula, the other division left over from the Cold War, looms as a particular geopolitical challenge for the region. The situation is perhaps the most dangerous since the Korean War. It is difficult to imagine how Kim Jong-Un and any successors of his could continue a totalitarian system into the mid-twenty-first century; yet it is also difficult to see how they could implement meaningful economic reforms without risking their regime's overthrow. The NIC sees "a unified Korea as likely by 2025—if not as a unitary state, then in some form of North-South confederation."¹⁰⁵ China, in particular, is positioning itself to be a "power broker" with a veto over any future developments on the peninsula, and opposes any measures that it fears could cause instability, even at the expense of supporting this repugnant regime. South Korea is in a particularly difficult position, and this is likely to weigh on its alliance with the U.S. in the future. But it will become increasingly clear that the U.S. would be happy to see a united, prosperous, and independent Korea emerge, and has no territorial designs thereof; whereas China would not and does indeed have competing claims; this may yet affect the great powers' respective influence on the peninsula. A positive outcome for more than half a century—or, depending on one's viewpoint—centuries—of ruinous instability on the Korean peninsula would be to transform the Six Party Talks into a broader Northeast Asian security mechanism. This would give all principal regional stakeholders a voice, and help prevent Beijing from denying Washington a seat at the table regarding key Asia-Pacific affairs.

¹⁰⁴ See, for example, Yasheng Huang, "Rethinking the Beijing Consensus," *Asia Policy* 11 (January 2011): 1-26.

¹⁰⁵ Office of the Director of National Intelligence, *Global Trends 2025*, 62.

The overall implications for U.S. policymakers are clear. Leadership, ideas, and examples matter. America must remain a “City upon a Hill” at home if it hopes to be so perceived abroad. They must renew their nation at home, while simultaneously moving beyond present difficulties in Iraq and Afghanistan to maintain a focus on core strategic interests in the true areas of prosperity and geostrategic influence in the Asia-Pacific Century: the Western Pacific and Indian Ocean regions. They must make judicious spending, armament, and policy choices rather than always trying to “do it all.” Alliance relations will be essential to this strategic endurance, and the U.S.-Japan alliance stands out increasingly as an enduring anchor of stability in maritime East Asia. So too will be the continued development of robust U.S. national capabilities. Perceptions of America’s vigor as a society, as well as an international actor, will shape its options in the Asia-Pacific area and around the world. Examination of China’s actions since 1949 suggests that its leaders—even more than most of their foreign counterparts—are closely attuned to trends in relative comprehensive national power, and attempt to finely calibrate policies accordingly.¹⁰⁶ Simply put, so long as the U.S. does not provoke China unduly by showing disrespect for its people and disregard for its most vital interests—which risks fueling dangerous misperceptions and crises¹⁰⁷—Beijing will treat Washington’s interests carefully, however reluctantly, if the U.S. appears strong; and will undermine them endlessly if it appears weak.¹⁰⁸

None of these great power dynamics should cause the parties involved to overlook possibilities for cooperation, which will be increasingly valuable as the region, like the larger world, grows increasingly vibrant and interconnected yet increasingly challenged by trans-national threats.¹⁰⁹ As the great power relations of the Asia-Pacific Century begin to reach a more stable equilibrium, we may all come to confront

¹⁰⁶ Of course, Chinese leaders are also acutely attuned to domestic politics. While the disastrous dynamics of the Great Leap Forward and Cultural Revolution seem unlikely to be replicated, the danger now is that the domestic nationalism that the Party has encouraged selectively may well up unpredictably, inflame succession struggles, and cause China to overreach in its defense and foreign policy.

¹⁰⁷ See, for example, Robert Jervis, *Perception and Misperception in International Politics* (Princeton, NJ: Princeton University Press, 1976).

¹⁰⁸ For detailed evidence, see Robert S. Ross, *Chinese Security Policy: Structure, Power and Politics* (New York: Routledge, 2009).

¹⁰⁹ For a “blueprint” of possible areas for Sino-American maritime security cooperation, see Andrew S. Erickson, Lyle J. Goldstein, and Nan Li, eds., *China, the United States, and 21st Century Sea Power: Defining a Maritime Security Partnership* (Annapolis, MD: Naval Institute Press, 2010).

trans-national resource, environmental, and human challenges that make our nations' disputes pale in comparison. In this sense, we are all truly "in the same boat together."